

TENNESSEE TRUCKING FOUNDATION, INC.

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

DECEMBER 31, 2016 AND 2015

TENNESSEE TRUCKING FOUNDATION, INC.

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BELLENFANT

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

Professional Accounting & Consulting Services

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tennessee Trucking Foundation, Inc.
4531 Trousdale Drive
Nashville, TN 37204

We have audited the accompanying financial statements of Tennessee Trucking Foundation, Inc., which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tennessee Trucking Foundation, Inc. as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Bellenfant, PLLC

April 19, 2017

TENNESSEE TRUCKING FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2016 AND 2015

ASSETS

	<u>2016</u>	<u>2015</u>
Cash	\$ 69,943	\$ 28,096
Investments	238,883	270,859
Equipment, net of accumulated depreciation of \$21,595 and \$19,838 for 2016 and 2015, respectively	1,756	3,513
Accounts Receivable	-	1,750
Grant Receivable	-	6,000
Prepaid Expenses	<u>500</u>	<u>-</u>
Total Assets	<u><u>\$ 311,082</u></u>	<u><u>\$ 310,218</u></u>

LIABILITIES AND NET ASSETS

Accounts Payable	<u>\$ 9,259</u>	<u>\$ 8,254</u>
Total Liabilities	9,259	8,254
Unrestricted Net Assets	<u>301,823</u>	<u>301,964</u>
Total Liabilities and Net Assets	<u><u>\$ 311,082</u></u>	<u><u>\$ 310,218</u></u>

The accompanying notes are an integral part of these statements.

TENNESSEE TRUCKING FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

REVENUES	<u>2016</u>	<u>2015</u>
Big Rigs For Little Kids		
West Tennessee Big Rigs	\$ 34,065	\$ 23,958
Middle Tennessee Big Rigs	79,405	80,674
East Tennessee Big Rigs	20,675	23,195
Chattanooga Big Rigs	13,663	16,062
Total Big Rigs For Little Kids	<u>147,808</u>	<u>143,889</u>
Road Team/Miscellaneous		
Silent Auction	42,371	64,512
Contributions, Individual	15,640	14,250
TTF Capital Campaign	53,500	70,000
Grant	44,000	58,000
Interest	-	23
Total Road Team/Miscellaneous	<u>155,511</u>	<u>206,785</u>
Raffle Program	<u>67,221</u>	<u>51,148</u>
Kroger Program	<u>1,003</u>	<u>1,680</u>
Other Grants	<u>10,000</u>	<u>14,000</u>
Children's Books	<u>1,367</u>	<u>26,000</u>
Dividend Income	<u>10,685</u>	<u>3,584</u>
The Big Payback	<u>1,081</u>	<u>6,885</u>
Unrealized and Realized Gain (Loss) on Investments	<u>11,839</u>	<u>(506)</u>
Miscellaneous Income	<u>291</u>	<u>1,732</u>
TOTAL REVENUES	<u>406,806</u>	<u>455,197</u>
 EXPENSES		
Big Rigs For Little Kids		
West Tennessee Tournament		
Tournament Fees	8,292	7,194
Prizes and Gifts	313	353
Bonus	11,000	-
Total West Tennessee Tournament	<u>19,605</u>	<u>7,547</u>

The accompanying notes are an integral part of these statements.

TENNESSEE TRUCKING FOUNDATION, INC.

STATEMENTS OF ACTIVITIES (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

EXPENSES (continued)

	<u>2016</u>	<u>2015</u>
Big Rigs For Little Kids (continued)		
Middle Tennessee Tournament		
Tournament Fees	\$ 35,378	\$ 22,082
Prizes and Gifts	3,010	14,987
Miscellaneous	2,770	3,151
Total Middle Tennessee Tournament	<u>41,158</u>	<u>40,220</u>
East Tennessee Tournament		
Tournament Fees	5,200	8,515
Prizes and Gifts	1,290	550
Miscellaneous	2,761	164
Total East Tennessee Tournament	<u>9,251</u>	<u>9,229</u>
Southeast Tennessee Tournament		
Tournament Fees	3,301	3,525
Prizes and Gifts	1,900	-
Food and Beverages	359	2,048
Total Southeast Tennessee Tournament	<u>5,560</u>	<u>5,573</u>
Not For Profit Charities		
East Tennessee Children's Hospital	5,800	6,983
Ronald McDonald House-Memphis	8,487	5,471
Ronald McDonald House-Nashville	11,019	13,501
Make a Wish Foundation	8,487	5,471
Shriners' Transportation Fund	5,396	6,986
Total Not For Profit Charities	<u>39,189</u>	<u>38,412</u>
Scholarships	<u>9,800</u>	<u>11,500</u>
Tennessee's Road Team		
Silent auction	10,189	151,193
Training	13,748	15,096
Travel	64,158	37,688
Miscellaneous	8,638	4,469
Total Tennessee's Road Team	<u>96,733</u>	<u>208,446</u>

The accompanying notes are an integral part of these statements.

TENNESSEE TRUCKING FOUNDATION, INC.

STATEMENTS OF ACTIVITIES (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

EXPENSES (continued)

	<u>2016</u>	<u>2015</u>
No Zone Tractor/Trailer		
Convention	\$ 59,368	\$ 50,168
Operating	1,687	963
Insurance	3,556	3,658
Total No Zone Tractor/Trailer	<u>64,611</u>	<u>54,789</u>
General and Administrative		
Professional Services	10,890	32,308
Salaries	31,395	17,702
Bank Fees	3,411	6,067
Office	1,268	765
Miscellaneous	5,493	-
Total General and Administrative	<u>52,457</u>	<u>56,842</u>
Grant Expenses	<u>32,429</u>	<u>63,672</u>
The Big Payback	<u>150</u>	<u>-</u>
Raffle Expenses	<u>20,927</u>	<u>20,637</u>
Sponsors	<u>2,000</u>	<u>4,500</u>
Depreciation	<u>1,756</u>	<u>1,756</u>
Children's Book	<u>1,311</u>	<u>7,825</u>
Trucking Moves America Forward	<u>10,010</u>	<u>10,000</u>
TOTAL EXPENSES	<u>406,947</u>	<u>540,948</u>
CHANGE IN NET ASSETS	(141)	(85,751)
UNRESTRICTED NET ASSETS, beginning of the year	<u>301,964</u>	<u>387,715</u>
UNRESTRICTED NET ASSETS, end of the year	<u><u>\$ 301,823</u></u>	<u><u>\$ 301,964</u></u>

The accompanying notes are an integral part of these statements.

TENNESSEE TRUCKING FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (141)	\$ (85,751)
Adjustments to reconcile change in net assets to net cash provided by operations		
Depreciation	1,756	1,756
Unrealized (Gain) Loss on Investments	(11,839)	506
(Increase) decrease in:		
Accounts Receivable	1,750	25,250
Grant Receivable	6,000	6,000
Prepaid Expense	(500)	-
Increase (decrease) in:		
Accounts Payable	<u>(1,005)</u>	<u>(43,064)</u>
Net Cash Used By Operating Activities	<u>(3,979)</u>	<u>(95,303)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends Reinvested and Fees on Investments	(10,685)	(3,584)
Sale of Investments	<u>56,511</u>	<u>74,967</u>
Net Cash Provided By (Used By) Investing Activities	<u>45,826</u>	<u>71,383</u>
Net Increase (Decrease) In Cash	41,847	(23,920)
Cash, beginning of the year	<u>28,096</u>	<u>52,016</u>
Cash, end of the year	<u><u>\$ 69,943</u></u>	<u><u>\$ 28,096</u></u>

The accompanying notes are an integral part of these statements.

TENNESSEE TRUCKING FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose:

The Tennessee Trucking Foundation, Inc. ("the Foundation") is a nonprofit organization, which was formed exclusively for charitable and educational purposes. The Foundation's basic purpose is the advancement of education and learning about the trucking industry for the benefit of the public.

Basis of Presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Presentation of Financial Statements of Not-for-Profit Organizations. Under the FASB Accounting Standards Codification, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Foundation had no temporarily restricted net assets as of December 31, 2016 or 2015.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that may be maintained permanently by the Foundation. Generally donors of these assets permit the Foundation to use all or part of the income earned for general or specific purposes. The Foundation had no permanently restricted net assets as of December 31, 2016 or 2015.

Fair Value:

The following methods and assumptions were used by the Foundation in estimating its fair value disclosures for financial instruments:

Cash, investments, accounts receivable, prepaid expenses, accounts payable, and unearned revenue: The carrying amounts reported in the statements of financial position approximate fair values because of the short maturities of those instruments.

TENNESSEE TRUCKING FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2016 AND 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash:

For the purposes of the statements of cash flows, the Foundation considers all investment instruments purchased with a maturity of three months or less to be cash equivalents. Certificates of deposit and other securities with original maturities over three months are classified as short-term investments and stated at cost, which approximates market value.

Depreciation:

Equipment with an acquisition cost above \$1,000 is capitalized and depreciated using the straight-line method over an estimated useful life of five years.

Income Taxes:

The Foundation is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code.

The Foundation has evaluated its tax positions in accordance with the Codification Standard related to Accounting for Uncertainty in Income Taxes. The Foundation believes that it has taken no uncertain tax positions.

The Foundation files a U.S. Federal Form 990-Return of Organization Exempt from Income Tax. The Foundation's returns for the years prior to calendar year 2013 are no longer open for examination.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual amounts could differ from those estimates.

2. SCHOLARSHIPS

The Community Foundation administers the scholarship program. The Foundation paid The Community Foundation \$9,800 and \$11,500 for the years ended December 31, 2016 and 2015, respectively, for scholarships.

TENNESSEE TRUCKING FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2016 AND 2015

3. FAIR VALUE OF INVESTMENTS

The Foundation's investments are reported at fair value in the accompanying statements of financial position.

<u>Fair Value Measurements at December 31, 2016 Using</u>				
Quoted Prices				
	Fair Value	In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds-Equities	\$ 238,883	\$ 238,883	\$ -	\$ -
	<u>\$ 238,883</u>	<u>\$ 238,883</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Fair Value Measurements at December 31, 2015 Using</u>				
Quoted Prices				
	Fair Value	In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds-Equities	\$ 270,859	\$ 270,859	\$ -	\$ -
	<u>\$ 270,859</u>	<u>\$ 270,859</u>	<u>\$ -</u>	<u>\$ -</u>

The Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Fair Value Measurements, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Foundation uses the appropriate valuation techniques based on the available inputs to measure the fair value of its investments. Level 3 inputs were only used when Level 1 or Level 2 inputs were not available.

Level 2 Fair Value Measurements - The fair value of the investments are based on inputs other than quoted prices within Level 1 that are observable for the asset, either directly or indirectly.

Level 3 Fair Value Measurements - The fair value of the investments are based on at least one significant unobservable input.

TENNESSEE TRUCKING FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2016 AND 2015

4. INVESTMENTS

The Foundation invests in mutual funds. The fair market value of the investments as of December 31, 2016 and 2015 were:

	<u>2016</u>	<u>2015</u>
American Funds	\$ 16,768	\$ 20,796
Fundamental Investors Fund	54,937	60,617
Investment Company America	57,228	61,954
New Perspective Fund	36,864	44,668
SmallCap World Fund	24,886	29,618
Washington Mutual Investment	<u>48,200</u>	<u>53,206</u>
Total	<u>\$ 238,883</u>	<u>\$ 270,859</u>

5. DONATED SERVICES

Officers, members of the Board of Directors, and other members of the Foundation have assisted the Foundation in the accomplishment of its goals and objectives by the donation of their time and services. No amounts have been reflected in the financial statements as it was not practicable to determine the valuation of such services to the Foundation, and the Foundation exercises no significant control over the major elements of donated services.

6. SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 19, 2017, which is the date the financial statements were available to be issued.